

#2136

REGULATION ASSIGNMENT CONTROL SHEET

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ASSIGNED: MONTAGUE

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TITLE: STATE FLEXIBILITY PROGRAM

RECEIVED: 8/27/02

DATE ASSIGNED: 8/27/02

DATE DUE: 9/3/02

ANALYST SIGNATURE: J. Montague

COMPLETION DATE: 29 Aug. 2K2 (in Montague's file)

FINAL APPROVAL: Joseph Schubert DATE: Aug 30, 2002

OMB NO:

REG PART:

REGULATIONS CLEARANCE SHEET
OFFICE OF THE GENERAL COUNSEL
DIVISION OF REGULATORY SERVICES (DRS)

DRAFT NO.: Draft No.1

DATE: 8-27-02

Please review the attached document, check the appropriate box below, sign, and return to DRS (Rm. 6E217, FB-6) by fax at 260-5085 or E-mail your concurrence to Marlene Cunningham by the due date.

☒ Exec. Sec., 7C116, Robert Scott (2) ☒ Legislation, 6W355, Kae Rairdin (1)

☒ OS, 7W209, Susan Sclafani (1)

ODS, 7W106, Thomas Dawson, (1)

☒ OUS, 7E320, Meredith Miller (1)

PES, 6W224, Sandra Richardson (2)

Budget Service, 5W3311, Maria Wade (2) ☒ CFO&CIO, 4E213, Taniqua Holmes (2)

☒ IRG/IMG, 4050-ROB, Joe Schubart (1)

☒ GPOS, 3652-ROB#, Julius Cotton (1)

☒ Assistant General Counsels

☒ OESE, 3W332, Bill Wooten (1)

☒ K. Depew, Rm. 6E217

☐ W. Haubert, 6C106

☒ OIG, Rm. 4200-MES, Pat Howard (1)

☐ H. Jenkins, 6E203

☐ S. Craig, 6E304

☒ P. Rosenfelt

☐ Dennis Koepfel, Program Attorney

CHECK ONE

☐ Approved

☐ Approved subject to minor changes

☐ Not approved-see comments

TYPE AND TITLE OF DOCUMENT: State Flexibility Program
-- notice inviting applications for State Flexibility
Authority

RETURN TO: Marlene Cunningham, 6E217

• DUE DATE: 9-3-02

SIGNATURE:

J. Montague

DATE: *29 Aug. 2K2*

COMMENTS:

Pending OMB emergency clearance

4000-01-U

DEPARTMENT OF EDUCATION

State Flexibility Program

Office of Elementary and Secondary Education, Department of Education.

Notice inviting applications for State Flexibility Authority. *[Handwritten: Pending 1/11/11]*

PURPOSE OF THE PROGRAM: To provide State educational agencies (SEAs), and the local educational agencies (LEAs) with which they have performance agreements, with additional flexibility in order to assist them in meeting the State's definition of adequate yearly progress (AYP) and specific, measurable goals for improving student achievement and narrowing achievement gaps.

ELIGIBLE APPLICANTS: SEAs with AYP definitions approved by the Department or SEAs that submit an assurance that they will provide the Department with a State AYP definition that meets the requirements in section 1111(b)(2) of the Elementary and Secondary Education Act (ESEA) by the AYP deadline established by the Department.

Note: Hawaii, Puerto Rico, and the outlying areas are not eligible to apply for State-Flex because they do not have

the minimum number of LEAs required for State-Flex authority.

Under the legislation, if one of its LEAs has entered into a Local-Flex agreement with the Secretary, an SEA may subsequently seek State-Flex authority only if that LEA agrees to be part of the SEA's State-Flex proposal.

APPLICATIONS AVAILABLE: [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER.]

DEADLINE FOR TRANSMITTAL OF APPLICATIONS: [INSERT DATE 90 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

SUPPLEMENTARY INFORMATION: Sections 6141 through 6144 of the ESEA, as amended by the No Child Left Behind Act of 2001 (P.L. 107-110), authorize the Secretary of Education to grant State flexibility (State-Flex) authority to up to seven SEAs, permitting them to (1) consolidate certain Federal education funds that are provided for State-level activities and State administration and use those funds for any educational purpose authorized under the ESEA in order to meet the State's definition of AYP and advance the education priorities of the State and its LEAs; and (2) specify how LEAs in the State may use funds allocated under section 5112(a) of the ESEA (State Grants for Innovative Programs). In addition, an SEA with State-Flex authority must enter into performance agreements with not fewer than

four, but no more than ten, LEAs (at least half of which must be high-poverty LEAs), giving those LEAs the flexibility to consolidate certain Federal education funds and to use those funds for any educational purpose permitted under the ESEA in order to meet the State's definition of AYP and specific, measurable goals for improving student achievement and narrowing achievement gaps.

The Secretary will select State-Flex SEAs on a competitive basis in accordance with the selection criteria contained in a notice published elsewhere in this issue of the Federal Register. The application requirements and a description of the application process are also provided in that notice.

The Secretary intends to select up to three to four SEAs for participation in State-Flex under this competition. In conducting this competition, the Department will review the quality of State-Flex plans, including the quality of the local performance agreements that are submitted as part of those plans. Based on that review, the Department will grant State-Flex authority to up to three to four SEAs. If an SEA selected for State-Flex authority has not yet had its AYP definition approved by the Department, that SEA will receive conditional State-

Flex authority. An SEA with conditional State-Flex authority will not be able to exercise its State-Flex authority or implement any portion of its State-Flex plan (including the local performance agreements) unless the Department approves the SEA's AYP definition by March 31, 2003.

The Department will select the additional State-Flex SEAs in a subsequent competition.

FOR FURTHER INFORMATION CONTACT: Ms. Milagros Lanauze.

Telephone: (202) 401-0039 or via Internet:

StateFlex@ed.gov

If you use a telecommunications device for the deaf (TDD), you may call the Federal Information Relay Service (FIRS) at 1-800-877-8339. Individuals with disabilities may obtain this notice in an alternative format (e.g., Braille, large print, audiotape, or computer diskette) on request to the contact person listed above.

APPLICATIONS: You may obtain a copy of the application on the Department's web site at:

<http://www.ed.gov/flexibility/#prog>

You may also obtain a copy of the application from the contact person identified under FOR FURTHER INFORMATION CONTACT.

Electronic Access to This Document

You may view this document, as well as other Department of Education documents published in the Federal Register, in text or Adobe Portable Document Format (PDF) on the Internet at the following site:

www.ed.gov/legislation/FedRegister

To use PDF you must have Adobe Acrobat Reader, which is available free at this site. If you have questions about using PDF, call the U.S. Government Printing Office (GPO), toll-free, at 1-888-293-6498; or in the Washington DC, area at (202) 512-1530.

Note: The official version of this document is the document published in the Federal Register. Free Internet access to the official version of the Federal Register and the Code of Federal Regulations is available on GPO access at:

www.access.gpo.gov/nara/index.html

PROGRAM AUTHORITY: Sections 6141 through 6144 of the ESEA, as amended by the No Child Left Behind Act of 2001 (P.L. 107-110).

Dated:

Susan B. Neuman, Ed.D.
Assistant Secretary for

Elementary and Secondary
Education.

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Message from Secretary Rod Paige

It is my pleasure to release this plan for “One-ED,” a new way of doing business. One-ED builds upon the *President’s Management Agenda* and the Department’s *Strategic Plan, Blueprint for Management Excellence* and *Culture of Accountability Report*. Collectively, these documents clearly articulate management goals and desired education results to focus on citizens who are beneficiaries of successful education programs. In addition, these road maps include important action steps we must take to improve our financial integrity, service delivery and culture.

At the heart of our transformation to One-ED are five core values: professionalism, results-oriented, integrity, development and education. (See One-ED Core Values – Tab 1.) Living these values means remembering that improving education for all Americans is at the heart of all we do. We designed One-ED to help achieve important education results and improve how we achieve these results.

One-ED facilitates professionalism, integrity and growth by requiring expectation setting and training that allows us to perform our work with the greatest quality. It demands aligning our performance management systems to ensure we meet expectations and reward high performance. One-ED also provides for forums where our management teams can communicate openly and work together to solve organizational challenges.

One-ED allows us to demonstrate our commitment to providing the high quality service necessary to help our education partners achieve significant results. It includes a Strategic Investment Process designed to enable us to systematically examine all the functions we perform, while making any changes needed to ensure that we provide services to each other, our partners and the public with quality, timeliness and best value.

This transformation process will challenge us to examine and improve the composition and skills of our workforce, our work processes and our management structure. All Department employees must share responsibility for implementing this plan. We will seek employee participation and welcome suggestions to improve our work processes and culture.

I look forward to working with our employees and partners as we make the changes necessary to transform to One-ED. I believe One-ED will mean that we can provide even greater education leadership and exert **greater** impact towards realizing our goals of improving academic achievement, teacher excellence and safe schools and communities.

Rod Paige

Background

The Department of Education's (Department) mission is to provide access to and excellence in education throughout the nation. To accomplish this mission, the Department partners with states, schools, communities, institutions of higher education and financial institutions -- and through them with students, teachers, families, administrators and employers. Core agency business functions include:

- Leadership in education;
- Grants to support state and local reforms to strengthen teaching and learning and prepare students for citizenship, employment in a changing economy, and lifelong learning;
- Student loans and grants to help pay postsecondary education costs;
- Grants for literacy, employment, and self-sufficiency training for adults;
- Monitoring and enforcement of civil rights for federal education funds recipients; and
- Support for statistics, research, development, evaluation, and dissemination of information to improve educational quality and effectiveness.

The Department articulates its priorities in its *Strategic Plan*, which provides a framework for implementing programs and initiatives to support the goals of the *No Child Left Behind* legislation, and strengthening financial management and fiscal integrity as emphasized by the Department's *Blueprint for Management Excellence*. The *Strategic Plan*, the Department's *Culture of Accountability Report*, and the attached One-ED plan provide additional critical steps to implement the *President's Management Agenda*.

To support these activities, the Department administers a budget of approximately \$54 billion, of which \$1.2 billion is for administrative expenses. In addition, the Department is organized into 18 principal offices generally headed by political appointees, and staffed by approximately 4,800 employees, of which 4,300 are full-time permanent staff.

Despite dramatic program funding increases, the FY 2001 staffing level of 4,747 full-time equivalents (FTEs) is nearly 40 percent below the 7,528 FTE present when Congress created the Department in 1980. In addition, about 34 percent of current career staff, including half of all current supervisors, are eligible to retire during the next five years. Thus far, the Department has managed its workload by automating and streamlining functions, implementing management improvements and utilizing contractor support to augment its workforce (the Department uses about 1.6 contractor staff for every employee).

While these paragraphs provide Departmental background, they also present the "current state" from which the Department began to address its human capital, competitive sourcing, and restructuring challenges. From these challenges a vision for the "future state" of "One-ED" was conceived. The pages that follow describe how One-ED allows the Department to meet its challenges while improving the service it provides to American citizens.

